



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 19-67]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

ACTION: Arms sales notice.

SUMMARY: The Department of Defense is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT: Karma Job at karma.d.job.civ@mail.mil or (703) 697-8976.

SUPPLEMENTARY INFORMATION: This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 19-67 with attached Policy Justification and Sensitivity of Technology.

Dated: November 27, 2019.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203

ARLINGTON, VA 22202-5408

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
H-209, The Capitol
Washington, DC 20515

NOV 20 2019

Dear Madam Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 19-67 concerning the Navy's proposed Letter(s) of Offer and Acceptance to the Government of Australia for defense articles and services estimated to cost \$245 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

A handwritten signature in black ink, appearing to read "C. W. Hooper", is written over the typed name.

Charles W. Hooper
Lieutenant General, USA
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology

Transmittal No. 19-67

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Australia

(ii) Total Estimated Value:

Major Defense Equipment*	\$ 0 million
Other	<u>\$245 million</u>
TOTAL	\$245 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):

None

Non-MDE:

Up to eight hundred fifty (850) Joint Counter Radio-Controlled Improvised Explosive Device Electronic Warfare Increment 1 Block 1 (JCREW I1B1) Systems (533 vehicle mounted and 317 dismounted); spare and repair parts; support and test equipment; technical exchanges, publications and technical documentation; support equipment; engineering change proposals; classified software/loadsets; training; U.S. Government and contractor engineering, technical and logistics support services; and other related elements of logistics support.

(iv) Military Department: Navy (AT-P-LGA)

(v) Prior Related Cases, if any: AT-P-LFX

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex.

(viii) Date Report Delivered to Congress: **November 20, 2019**

*As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Australia – JCREW Systems and Support

The Government of Australia has requested to buy up to eight hundred fifty (850) Joint Counter Radio-Controlled Improvised Explosive Device Electronic Warfare Increment 1 Block 1 (JCREW I1B1) Systems (533 vehicle mounted and 317 dismounted); spare and repair parts; support and test equipment; technical exchanges, publications and technical documentation; support equipment; engineering change proposals; classified software/loadsets; training; U.S. Government and contractor engineering, technical and logistics support services; and other related elements of logistics support. The total estimated cost is \$245 million.

This proposed sale will support the foreign policy and national security objectives of the United States. Australia is one of our most important allies in the Western Pacific. The strategic location of this political and economic power contributes significantly to ensuring peace and economic stability in the region.

The proposed sale will provide Australia increased force protection from Radio-Controlled Improvised Explosive Device threats for its defense forces and vehicles. Australia is interested in procuring the dismounted and mounted variants that have a modular, open architecture and are upgradeable in order to maintain capability against evolving global threats. Australia will have no difficulty absorbing this equipment into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractor will be Northrop Grumman Corporation, San Diego, California. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to Australia.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 19-67

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. Australia's requirement for 850 JCREW I1B1 systems could potentially include: 1) Expeditionary Warfare, Force Protection, 2) Techniques for the Defeat of Radio Controlled Improvised Explosive Devices, 3) Force Protection, Counter Unmanned Aircraft Systems, 4) Capabilities and Limitations of Electronic Warfare Systems, and, 5) Threat Assessment from Radio Controlled Improvised Explosive Devices.

2. The Counter Radio-Controlled Improvised Explosive Device Electronic Warfare technical insertion development may contain sensitive technology; however, defined requirements are not known at this time and will be assessed on a case-by-case basis.

3. A determination has been made that Australia can provide substantially the same degree of protection for the sensitive technology being released as the U.S. Government. This proposed sale is necessary to further the U.S. foreign policy and national security objectives outlined in the Policy Justification.

4. All defense articles and services listed on this transmittal have been authorized for release and export to the Government of Australia.

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